

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 43**

February 11, 2009

**SUMMARY OF BILL:** Changes the ASPIRE scholarship program into a work-study program consisting of two equally funded parts: one-half of the award will be a grant payable to a student who qualifies for the award based on average gross income; the other one-half will be earnable in the ASPIRE work-study program.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – Decreases the expenditures of lottery proceeds earmarked for scholarships and grants by \$9,005,400 in FY09-10 and by \$8,694,200 in FY10-11.**

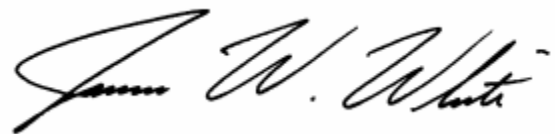
Assumptions:

- Currently, the ASPIRE award is a \$1,500 per year supplemental award for eligible students with adjusted gross incomes of \$36,000 per year or less.
- This bill would make \$750 of the \$1,500 award a grant and the remaining \$750 earnable through the proposed ASPIRE work-study program. Therefore, the maximum amount a participating student can earn in the work-study program is \$750 per academic year.
- The Tennessee Student Assistance Corporation (TSAC) projects 15,106 first-year students would be eligible for the grant portion of the award in FY09-10.
- Based on the grant portion of the award being established at \$750 per eligible student, TSAC projects that 20 percent (3,021) would participate in the work-study program.
- One additional position for TSAC to administer the program estimated to be \$58,300 per year (\$34,300 salary, \$9,600 benefits, \$14,400 other).
- Expenditures from lottery proceeds for FY09-10 following passage of this legislation is estimated to be \$13,653,600  $[(15,106 \times \$750) + (3,021 \times \$750) + \$58,300 = \$13,653,550]$ .
- Expenditures from lottery proceeds for FY09-10 under current law is estimated to be \$22,659,000  $(15,106 \times \$1,500 = \$22,659,000)$ .

- The decrease of expenditures from lottery proceeds for FY09-10 is estimated to be \$9,005,400 ( $\$22,659,000 - \$13,653,600 = \$9,005,400$ ).
- TSAC projects 15,560 second-year students would be eligible for the grant portion of the award in FY10-11; 25 percent (3,890) would participate in the work-study program.
- Expenditures from lottery proceeds for FY10-11 following passage of this legislation is estimated to be \$14,645,800 [ $(15,560 \times \$750) + (3,890 \times \$750) + \$58,300 = \$14,645,800$ ].
- Expenditures from lottery proceeds for FY10-11 under current law is estimated to be \$23,340,000 ( $15,560 \times \$1,500 = \$23,340,000$ ).
- The decrease of expenditures from lottery proceeds for FY10-11 is estimated to be \$8,694,200 ( $\$23,340,000 - \$14,645,800 = \$8,694,200$ ).
- According to the Department of Education (DOE), the department would publish a list of organizations operating after-school programs that will participate in the ASPIRE work-study program. Any such increase to state expenditures is estimated to be not significant.
- DOE indicates any cost for promulgating rules and regulations to be not significant.
- DOE indicates any additional costs to local education agencies (LEAs) would be considered not significant.
- Costs for the Tennessee Bureau of Investigation (TBI) to conduct criminal background checks are estimated to be not significant because such additional costs are to be paid by applicants.

## **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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